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DEPARTMENT OF STATE
 WASHINGTON

The President:

JUN 22 1953

The undersigned, the Secretary of State, has the honor to submit to the President, with a view to its transmission to the Senate to receive the advice and consent of that body to ratification, if the President approve thereof, a treaty of friendship, commerce and navigation between the United States of America and Japan, together with a protocol relating thereto, signed at Tokyo on April 2, 1953.

This treaty places commercial relations between the United States and Japan on a normal bilateral treaty basis for the first time since the termination on January 26, 1940 of the treaty of commerce and navigation, signed at Washington on February 21, 1911

(37 Stat. 1504). It was envisaged in Article 12 of the Treaty

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The President,

The White House.

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the Treaty of Peace with Japan, which contains, in addition to temporary commercial arrangements, a declaration by Japan of its readiness to enter into negotiations for the conclusion, with each of the Allied Powers so desiring, of treaties or agreements to place their respective "trading, maritime and other commercial relations on a stable and friendly basis".

The present treaty is a comprehensive instrument which expresses the common faith of the two countries in liberal principles and is designed to provide an effective basis for the development of business, trade and other commercial relationships. It is the first treaty of this type which Japan has negotiated with any country since the end of World War II and may be regarded as a significant step in the strengthening of cordial relations between the United States and Japan.

In common with other treaties of friendship, commerce and navigation entered into by the United States in recent years, the new treaty deals in considerable detail with a

wide

wide range of subject matter. In general, each of the two Governments: (1) agrees to accord, within its territories, to citizens and corporations of the other country treatment no less favorable than it accords to its own citizens and corporations with respect to normal commercial and industrial pursuits; (2) affirms its adherence to the principles of nondiscriminatory treatment of trade and shipping; (3) formally endorses standards regarding the protection of persons and their property and interests that reflect the most enlightened constitutional principles; and (4) recognizes the need for special attention to the problems of stimulating the flow of private capital investment. Specifically, the provisions of the treaty fall into nine broad categories: (1) entry, travel and residence; (2) basic personal freedoms; (3) guarantees with respect to property rights; (4) the conduct and control of business enterprises; (5) taxation; (6) exchange restrictions; (7) the exchange of goods; (8) navigation; and (9) exceptions, territorial applicability and

miscellaneous

miscellaneous provisions. In the formulation of the provisions of the treaty special attention has been given to the type of assurances which American businessmen and investors are understood to regard as useful and desirable.

The new treaty with Japan resembles most nearly (a) the treaty of friendship, commerce and economic development with Uruguay, signed at Montevideo on November 23, 1949 (S. Ex. D, 81st Cong., 2d sess.), the treaty of friendship, commerce and navigation with Ireland, signed at Dublin on January 21, 1950 (S. Ex. H, 81st Cong., 2d sess.), both of which treaties have received Senate advice and consent to ratification; and (b) the treaties of friendship, commerce and navigation with Israel, signed at Washington on August 23, 1951 (S. Ex. R, 82d Cong., 1st sess.), with Greece, signed at Athens August 3, 1951 (S. Ex. J, 82d Cong., 2d sess.), and with Denmark, signed at Copenhagen October 1, 1951 (S. Ex. I, 82d Cong., 2d sess.), which treaties were submitted to the Senate on October 18, 1951, January 30, 1952, and January 29, 1952, respectively.

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There are several provisions in the treaty with Japan, however, which are not found in other treaties, as follows: (1) a clause providing for visa privileges for persons desiring to enter either country for the purpose of developing the operations of a business enterprise in which they have a substantial investment (Article I, paragraph 1 (b)); (2) a clause assuring that if new limitations are imposed upon the extent to which aliens are accorded national treatment with respect to carrying on certain activities reserved from the "national treatment" rule, such limitations shall not be applied against enterprises which are engaged in such activities at the time the new limitations are adopted and which are owned or controlled by nationals and companies of the other country (Article VII, paragraph 2, second sentence); (3) a provision designed to further the United States policy of favoring the broad dissemination of non-security technological information (Article V, paragraph 2); (4) a provision designed to discourage certain deceptive marking practices in international

in international trade (Protocol, paragraph 7); and (5) a paragraph designed to assure the maintenance of a free market in the field of marine insurance (Article XV, paragraph 3). The provision indicated under (1) above was authorized by Section 101 (a) (15) (E) (ii) of the new Immigration and Nationality Act. The provision indicated under (5) above was recommended by the Association of Marine Underwriters of the United States.

The provision on the application of quantitative trade restrictions (Article XIV, paragraph 3) has been restated along the lines of Article XII, paragraph 3, of the treaty of amity and economic relations with Ethiopia (S. Ex. F, 82d Cong., 2d sess.) in the interests of greater clarity and adequacy.

As has been done in similar treaties with other countries, certain changes in the standard language have been made by way of clarification or accommodation and various adjustments of substance have been included to meet special circumstances existing with respect to the foreign government. Most of such changes in the present treaty

treaty are included in the protocol (in paragraphs 3 through 6, 8 through 10, and 13 through 15), which protocol is considered an integral part of the treaty. Further, it will be noted that in paragraph 1 of Article IX of the treaty the provision on real property is confined to lease rights with respect to property needed for the conduct of activities permitted by the treaty and does not deal with ownership rights; and the second sentence of paragraph 3 of Article XXI has been restated so that Japan will be entitled to concessions granted by the United States to other countries parties to the General Agreement on Tariffs and Trade in the event of continued Japanese nonparticipation in that agreement for reasons beyond Japanese control, and in the event that the General Agreement on Tariffs and Trade remains in its present form. These changes are, on the whole, of secondary consequence and, though deviations from the standard treaty, are founded on precedents.

Provision is made in the treaty for its entry into force one month after the day of exchange of ratifications and for its continuance in force for a period of ten years

from that

from that day and indefinitely thereafter, subject to
termination on one year's written notice by either
Government to the other Government.

Respectfully submitted,

JOHN FOSTER DULLES

S/S
JUN 22 1953

Enclosure:

Treaty of friendship, commerce
and navigation, with protocol,
signed at Tokyo April 2, 1953.

*not attached
to file copy*

S/S
JUN 18 1953 A.M.

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